

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF ADJUSTMENT OF THE)	
RATES OF KENTUCKY-AMERICAN)	CASE NO.
WATER COMPANY EFFECTIVE ON)	8571
AND AFTER SEPTEMBER 17, 1982)	

O R D E R

IT IS ORDERED that Kentucky-American Water Company shall file with the Commission by November 1, 1982, the following information. Each copy of the data request shall be placed in a bound volume with each item tabbed. Where a number of sheets are required for each item, each sheet should be appropriately indexed, for example, Item I(a) Sheet 2 of 6. Careful attention should be given to copied materials to insure that they are legible. Kentucky-American should furnish the name of the witness who will be responsible for responding to questions concerning each area of information requested.

Staff Information Request 3:

1. Provide an explanation and derivation of the \$15,000 pro forma AFUDC shown on Exhibit No. 4, Schedule 1, page 1.
2. In Exhibit 4, Schedule 1, no adjustment was made for state unemployment tax. What effect did the change in state unemployment tax base and the change in rates have on Kentucky-American?

3. In computing pro forma real and personal property taxes, the 1980 rate was used. If a more recent rate has been received provide it.

4. Provide a statement describing the uses of the proceeds of the proposed issuances of \$6,000,000 in bonds and \$3,000,000 in stock.

5. If the balance in accounts payable applicable to plant in service and CWIP will be effected by the issuance of the \$9,000,000 of additional bonds and stock, please explain.

6. Please provide an explanation of the increases in the following expense accounts between the test period and the previous 12 months. If applicable, identify specific monthly changes. Account 640, 641, 642, 643, 663, 901, 902, 903, 920, 921, 923 and 926.

7. In responding to the Attorney General's Request No. 1, Item 2, balance in accumulated deferred income taxes at 46 percent, Kentucky-American stated that "the records of the Company would not permit an inexpensive calculation of what the reserve balance would be at the 46 percent rate. . ."

a. Provide a statement detailing how the records are inadequate.

b. Provide a statement explaining what would be necessary to determine this information.

c. What would be the cost of obtaining this information?

8. For the test year and each of previous five calendar years, provide the amount of overtime as a percent of base wages.

Done at Frankfort, Kentucky this 22nd day of October, 1982.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary _____